# OSD(AT&L) Template Should Cost Targets & Progress Defense Acquisition Board

# Program Should-Cost Summary

**Should Cost Initiatives:**

- **EMD**
  - **Initiative 1:** Short description and basis for Should-Cost Estimate savings
  - **Initiative 2:** Short description and basis for Should-Cost Estimate savings
  - **Initiative 3:** Short description and basis for Should-Cost Estimate savings
- **Production & Deployment (notional)**
  - **Initiative 1**
  - **Initiative 2**
- **Operations and Support (notional)**
  - **Initiative 1**
- **Other**
  - **Initiative 1**

# Program Should-Cost Summary

| $M | Prior | Current Year | Budget year | BY +1 | BY +2 | BY +3 | BY +4 | To Comp | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Current Budget** | **22.0** | **49.1** | **25.1** | **35.0** | **47.0** | **75.0** | **52.0** | **100.0** | 405.2 |
| **Total Acq Will Cost (ICE)** | **22.0** | **52.2** | **25.0** | **35.0** | **47.0** | **75.0** | **52.0** | **100.0** | 408.2 |
| **Total Should Cost Estimate** | **21.3** | **43.3** | **20.0** | **32.8** | **45.0** | **74.0** | **52.0** | **100.0** | **388.4** |
| **Net Should Cost Savings** | **0.7** | **8.9** | **5.0** | **2.2** | **2.0** | **1.0** | **0.0** | **0.0** | **19.8** |
| TD Costs (ICE) | 22.0 | 12.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 34.2 |
| TD Should-Cost Estimates | 21.3 | 11.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 32.6 |
| EMD Costs (ICE) | | 40.0 | 25.0 | 15.0 | 15.0 | 10.0 | 0.0 | 0.0 | 105.0 |
| EMD Should-Cost Estimates | | 32.0 | 20.0 | 12.8 | 13.0 | 9.0 | 0.0 | 0.0 | 86.8 |
| Production Costs (ICE) | | | | 20.0 | 32.0 | 55.0 | 42.0 | 70.0 | 219.0 |
| Production Should-Cost Est. | | | | 20.0 | 32.0 | 55.0 | 42.0 | 70.0 | 219.0 |
| Ops & Support Costs (ICE) | | | | | | 10.0 | 10.0 | 30.0 | 50.0 |
| Ops & Support Should-Cost Est. | | | | | | 10.0 | 10.0 | 30.0 | 50.0 |

**Note:**
- **Use Back-up slides to elaborate on each major initiative (see Backup for "Should Cost Initiative POAM")**

Backup Slide

# Should Cost Initiative POAM

| $M | Prior | Current Year | Budget Year | BY+1 | Total All Years |
|---|---|---|---|---|---|
| Current Budget for target process | 45.0 | 50.0 | 62.0 | 85.0 | 679.0 |
| Will Cost (ICE) for target process | 22.0 | 25.0 | 15.0 | 15.0 | 105.0 |
| Should Cost for target process | 21.0 | 20.0 | 12.8 | 13.0 | 86.8 |
| Delta as % of Will Cost | 5% | 20% | 15% | 13% | 17% |
| Actual Costs / New Estimates | 21.5 | 21.0 | TBD | TBD | TBD |

## Initiative Name:

- **Short Narrative Description of Basis for Should Cost Estimates: (List reasons should cost estimate is below will cost, with dollar impact)**
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  - 
- **Adjustments and Impacts to Spend Plan**
  - 
  - 
- **Contract Implications**
  - Incentive/fee structure, timing of evaluations & savings realized
  - 
- **Risks**
  - List risks to achieving these savings
  - 

## Key Events/Schedule (Plan):

- **Event**
  - **Target Date (Should Cost)**
  - **Target Date (Will Cost**
    - Short description explaining change in schedule
- **Event**
  - **Target Date (Should Cost)**
  - **Target Date (Will Cost**
    - Short description explaining change in schedule

**Instructions:**

- **Prepare one backup slide for each significant initiative (which need not always be largest dollar value)**
- **Which initiatives could be extensible to other programs?**
- **Which do most to affect long term costs?**